

Message Text

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ACTION EB-08

INFO OCT-01 ARA-14 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15
STR-05 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 OMB-01
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FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC PRIORITY 2704

UNCLAS SANTO DOMINGO 6854

EO 11652 NA

TAGS: ETRD, DR

SUB: COMINICAN PRESS REACTION TO U.S. SUGAR DECISION

REF: SANTO DOMINGO 6853

1. SUMMARY: WHILE SUGAR INDUSTRY OFFICIALS ARE STILL STUDYING
IMPACT ON DR (REFTEL) LOCAL PRESS HAS COME OUT STRONGLY AGAINST
RECENT U.S.ACTIONS TO RAISE LEVIES ON SUGAR IMPORTS. END SUMMARY.

2. AMONG THE SIGNIFICANT THEMES RECURRING IN NUMEROUS EDITORIALS:
THE DOMINICAN REPUBLIC IS THE COUNTRY MOST HARMED BY THE NEW IM-
PORT LEVIES: THE U.S. ACTION IS BLATANTLY PROTECTIONIST,
CONTRARY TO FREE TRADE PRINCIPLES AND THE LAW OF COMPARATIVE
ADVANTAGE; THE U.S. DISCRIMINATES AGAINST DEVELOPING COUNTRIES
IN HANDLING TRADE PROBLEMS-IT ACTED TO RESTRAIN IMPORTS OF
SUGAR, A PRODUCT OF PRIME IMPORTANCE TO DEVELOPING COUNTRIES,
BUT HAS NOT IMPOSED RESTRAINTS AGAINST IMPORTS OF STEEL AND
OTHER PRODUCTS DESPITE SIMILAR SITUATION OF OVER SUPPLY AND
LOW PRICES, BECAUSE THESE PRODUCTS ARE EXPORTED BY MAJOR DEVELOPED
COUNTRIES; THE GODR AND OTHER SUGAR EXPORTING COUNTRIES
SHOULD MAKE CLEAR TO THE USG THEIR OPPOSITION TO THE RECENT USG
ACTION. SOME EDITORIALS URGE RETALIATION, WHILE OTHERS POINT
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TO THE LESSON TO BE LEARNED, I.E., THAT THE DR IS OVERLY
RELIANT ON SUGAR AND ON THE UNITED STATES. BOTH LISTIN
DIARIO AND EL CARIBE (MODERATE MORNING DAILIES) EXPRESS THE
VIEW THAT THE USG MEASURE MAY FORCE THE GODR TO IMPROVE EFF-
ICIENCY, MARKETING, AND DIVERSIFICATION IN THIS IMPORTANT
SECTOR. ACCORDING TO EL CARIBE, THE USG ACTION FITS IN
HISTORICALLY WITH OTHER UNILATERAL WASHINGTON ACTIONS,

DESPITE PRESIDENT CARTER'S RHETORIC.

3. THE THIRD MORNING DAILY, EL SOL, ALLEGES THAT EACH DAY THE DOMINICAN REPUBLIC BECOMES QUOTE MORE SERVILE UNQUOTE TO U.S. INTERESTS, AND THAT THE ISSUE OF U.S. IMPORT RESTRAINTS ON SUGAR SHOULD BE TAKEN TO REGIONAL AND WORLD ORGANIZATIONS. THE LEFT-LEANING AFTERNOON TABLOID, EL NACIONAL, STATES THAT IT IS YET ANOTHER ILLUSTRATION OF INJUSTICES PERPETRATED BY AMERICAN INTERESTS AGAINST THE THIRD WORLD, BUT IT NOTES THAT THE DR IS NOT IN A POSITION TO IMPOSE COUNTERMEASURES. THE REVOLUTIONARY SOCIAL CHRISTIAN PARTY'S PRESIDENTIAL CANDIDATE, ALFONSO LOCKWARD, IN A GUEST EDITORIAL FOR THE LISTIN DIARIO, CALLS FOR SPECIAL PREFERENTIAL TREATMENT OF DOMINICAN SUGAR BY THE USG IN ORDER TO ASSURE A SECURE MARKET AT REASONABLE PRICES AND TO AVOID THE CATASTROPHE OF BANKRUPTCY AND INCREASED UNEMPLOYMENT. RECALLING THAT THE DR HAS BEEN A FAITHFUL SUPPLIER OF SUGAR TO THE UNITED STATES AND IS GEOGRAPHICALLY CLOSER TO THE U.S THAN OTHER MAJOR SUGAR EXPORTERS, AND POINTING TO THE RECENT U.S./CUBAN STEPS TOWARD RAPPROACHMENT, LOCKWARD WONDERES IF IT WOULDN'T BE BETTER NOT TO BE SUCH GOOD FRIENDS OF THE UNITED STATES, SINCE THE UNITED STATES SOMETIMES GIVES THE IMPRESSION THAT WE TREAT OUR ENEMIES BETTER THAN OUR FRIENDS.

4. LEADING ECONOMIST/BUSINESSMAN, BERNARDO VEGA, MAKES FOLLOWING POINTS IN GUEST EDITORIAL IN LISTIN DIARIO. (A) THERE UNCLASSIFIED

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IS NO LONGER A JUSTIFICATION FOR TRADITIONAL DOMINICAN ECONOMIC DEPENDENCE ON ITS BIG NORTHERN NEIGHBOR, NOR FOR PREFERENCES GIVEN TO THE U.S. IN DOMINICAN PURCHASE OF SUCH ITEMS AS ELECTRICAL GENERATORS (B) LIKEWISE, THERE IS NO EXCUSE FOR FURTHER DELAY IN PASSING FOREIGN INVESTMENT LAW CURRENTLY UNDER CONSIDERATION. (C) DR'S TIMID FOREIGN POLICY FAR REMOVED FROM THIRD WORLD POSITIONS EVEN MORE INCONGRUOUS NOW. (D) MEASURES MAKING U.S. MORE SELF-SUFFICIENT IN SUGAR DEPRESS WORLD PRICE AND WEAKEN ISA AS DOUBTS ARE POSED ABOUT IT RATIFICATION BY U.S. CONGRESS. (E) FOR FIRST TIME IN HISTORY, U.S. TREASURY WILL BE RECEIVING MORE MONEY THROUGH DUTIES ON DOMINICAN EXPORTS THAN DOMINICAN CUSTOMS RECEIVES FROM DUTIES ON IMPORTS FROM U.S. (F) MOREOVER, SINCE U.S. AID TO DR IS MINIMAL, PERHAPS EVEN LESS THAN REPAYMENTS ON PAST LOANS, AND REPATRIATION OF DIVIDENDS HIGHER THAN NEW INVESTMENTS, THERE IS NO REAL TRANSFER OF RESOURCES TO DR, WHICH CONTRASTS WITH AN ESSENTIAL CONDITION OF NORTH-SOUTH DIALOGUE RE SUCH TRANSFER BETWEEN INDUSTRIALIZED AND THIRD WORLDS. (G) WHAT INTERNATIONAL CRIME HAS DR COMMITTED TO JUSTIFY IMPORT LEVY ON DOMINICAN SUGAR THREE TIMES AS HIGH AS SANCTION IMPOSED BY OAS AND COLLECTED BY U.S. IN 1959-61 (BUT SUBSEQUENTLY REIMBURSED TO DR). (H) SINCE U.S. MEASURES WERE TAKEN

FOR PROTECTIONIST, AND NOT FOR FISCAL PURPOSES, U.S. SHOULD RETURN TO THE DEVELOPING COUNTRIES THAT EXPORT SUGAR, THE MONIES COLLECTED BY SUGAR LEVIES. OR IS THE DEVELOPING WORLD SUPPOSED TO CONTRIBUTE TO REDUCING THE BUDGETARY DEFICIT OF THE GREATEST ECONOMY IN THE WORLD? (I) SINCE OTHER MAJOR SUGAR EXPORTERS ARE MUCH LARGER COUNTRIES AND DEPEND LESS ON SUGAR EXPORTS WHILE SMALLER TRADITIONAL SUPPLIERS BENEFIT FROM GSP, DR IS COUNTRY MOST AFFECTED BY NEW U.S. MEASURES.

5. PICKING UP VEGA'S PROPOSAL, LISTIN DIARIO'S FEATURE EDITORIAL TODAY CONTENDS THAT SUGAR PRODUCING COUNTRIES ARE IN EFFECT BEING FORCED TO PROVIDE FINANCIAL ASSISTANCE TO THE U.S. IN THE DR'S CASE, LISTIN CLAIMS THAT THIS ASSISTANCE WILL EXCEED US DOLLARS 100 MILLION.
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Message Attributes

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